(c) Reacting to the monetary easing measures announced by RBI in April 1, 2000 major public sector banks reduced their Prime Lending Rate (PLR) by 0.75—1.0 percentage point. As at the end of April 2000, the PLRs of public sector banks were in the range of 11.25 per cent to 13.5 per cent and of all scheduled commercial banks in the range of 9.75—17.5 per cent as against 10.5—18.5 per cent in April 1999.

In deposit rates also there has been a general reduction in most of the scheduled commercial banks across all maturities by 50 to 200 basis points. As at the end of April 2000, the deposit rates of scheduled commercial banks (public sector banks) ranged between 4.0 and 9.0 per cent for maturity period up to 1 year and 8.0 and 11.0 per cent for maturity periods above one year.

(d) A reduction in interest rates of bank deposits is unlikely to affect flow of savings to banks.

(e) The banks now have greater freedom in deciding deposit and lending rates and fixing service charges based on their commercial considerations. The RBI and the Government of India have been constantly emphasizing to banks to offer better customer service so that there is a higher level of customer satisfaction.

Setting up of bank branches in tribal areas

4629. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have issued any directives to the nationalized banks with regard to providing loans to the SCs/STs in the country; and

(b) if so, the names of nationalized banks which have set up their branches in the tribal areas in the country, State-wise and are providing loans to the SCs/STs in the various districts of States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir. Government have prescribed targets for lending to Scheduled Castes and Scheduled Tribes under various Government sponsored schemes.

(b) All nationalized banks have their branches in rural areas

including tribal areas and these branches are providing loans to Scheduled Tribes and Scheduled Castes.

A-1 city status to Hyderabad

4630. SHRI RAMACHANDRAIAH RUMANDLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to grant A-1 city status to Hyderabad as requested by the Andhra Pradesh Government;

(b) if so, by when the decision is likely to be taken; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) No, Sir.

(c) Hyderabad city does not fulfil the criteria of population of 50 lakhs based on 1991 census which is the criterion laid down by the 5th Central Pay Commission and accepted by the Government to classify a city as A-1.

Revenue loss due to excise exemption

4631. SHRI SHIBU SOREN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are suffering huge revenue loss due to the full excise exemption granted to industrial units manufacturing cigarettes, paan masala and tobacco for ten years in the states of Assam, Meghalaya, Nagaland, Tripura, Arunachal Pradesh, Mizoram and Manipur;

(b) if so, the details thereof;

(c) whether Government are aware that it will also lead to the growth of "Letter Pad Companies" in these states;

(d) if so, what action has been/is being taken by Government to check it; and

(e) the details of the reasons and criterion for granting such exemption to certain states?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) No, Sir. Grant of exemption of excise duty is a policy decision.